



Date: March 19, 2019

To: Thomas J. Bonfield, City Manager

Through: W. Bowman Ferguson, Deputy City Manager

From: Donald F. Greeley, Director, Water Management

Subject: Southeast Regional Lift Station - Award of Construction Contract to Haren Construction Company, Inc.

Executive Summary

On February 21, 2019, the Department of Water Management (DWM) received and evaluated five bids for a project to install a new sanitary sewer lift station, which will serve 11,000 acres of undeveloped land in southeast Durham County. This new station, with a build-out capacity of 23 million gallons a day, will be constructed at 4780 Kemp Road, a City-owned parcel, one-half mile south of NC 98/Kemp Road intersection, as shown in Attachment 1.

The cost of building the sewer infrastructure will be recovered by the City via a Basin Service Area Fee. This is a per-lot rate that was approved by Council on May 18, 2015.

The DWM recommends the lift station construction contract be awarded to Haren Construction Company, Inc., from Etowah, Tennessee, as the lowest responsive and responsible bidder. Additionally, the DWM recommends a contingency of approximately 10% be established for the project.

Recommendation

To authorize the City Manager to execute a contract with Haren Construction Company, Inc. for the Southeast Regional Lift Station in the amount of \$16,882,000.00;

To establish a contingency fund for the contract in the amount of \$1,718,000.00; and

To authorize the City Manager to negotiate change orders for the contract provided that the cost of all change orders together with the total contract cost does not exceed \$18,600,000.00.

Background

As early as 2000, there has been significant and frequent development interest in the southeast portion of Durham County. The sizable effort and cost to extend sewer and water infrastructure, though, has limited the actual development.

At one time, for instance, Sierra Development entered into an agreement with the City in the late 2000's to build a regional lift station at the intersection of Lick Creek Road and Olive Branch

Road. The development planned by them never materialized, and the development group dissolved during the 2008 recession, and the lift station was not constructed.

Typically, City policy requires developers to build any required lift stations and waterlines to serve their sites, then dedicate them to the City. Following this approach in the southeast area would result in a system of many small lift stations, creating a significant maintenance burden for the City, once accepted.

The most cost effective and efficient alternative is for the City to construct a single regional lift station and avoid numerous separate and smaller lift stations. The design of the new station and its gravity sewers will allow the City to abandon three existing lift stations, Brightleaf, Tract 8 and Ravenstone. Abandoning these existing stations for gravity outfalls and constructing a region lift station in lieu of small lift stations would significantly reduce the City's future maintenance costs.

The sewage from the new station will be pumped directly to the NDWRF. As an interim phase, the waste will be pumped to the existing Lick Creek forcemain. Once flows in the southeast area reach a particular threshold, the Lick Creek forcemain will be too small and an extension to the SRLS forcemain, all the way to NDWRF, will need to be in place. The additional flow to the NDWRF is accommodated by the 2014 Water Reclamation Facilities Improvements project.

DWM, Department of Public Works (DPW), and City-County Planning staffs estimate that roughly 14,000 new single family residential units can be developed within the next 40 years in the proposed Southeast Service Area.

On May 18, 2015, City Council approved an ordinance to establish a Basin Service Area Fee, as a vehicle for the City to recoup costs associated with this lift station and the gravity sewers and forcemain pipes associated with it, which are currently under design. The fee for a Single Family Residence is \$4,260 and for Multi-Family and non-Residential structures is \$11.84/gallon of average daily sewer flow. The fee, which is increased by 5% on July 1st of each year, applies to all lots that are developed for a period of 20 years.

Issues and Analysis

The invitation to bid was advertised in December 2018 and bids were opened on February 21, 2019. The Engineers Cost Range for this project was \$19M to \$22M. All bids were evaluated and determined to all be responsive, and the results are:

Bidder	Bid Amount
Haren Construction Company, Inc.	\$16,882,000.00
English Construction Company, Inc.	\$17,939,000.00
Crowder Construction Company, Inc.	\$18,084,410.00
Adams Robinson Enterprises, Inc.	\$20,065,000.00
T.A. Loving Company Construction Services	\$21,431,000.00

The design consultant, Hazen and Sawyer, as well as City staff, evaluated the low bidders track record, speaking to several current and past clients. All spoke highly of Haren’s work and attention to detail. The City’s Risk Management Division has reviewed the Safety Data submitted by the low bidder and has no objections to awarding this project to them. Additionally, the City’s Equal Opportunity and Equity Assurance Department has also reviewed the necessary submitted documents and has no objections to awarding this project to Haren Construction.

Alternatives

Alternative #1 would be to disapprove award to Haren Construction Company, Inc. and re-advertise the project. Without a change to the scope of work, a re-bid would unlikely have much effect on lowering the project costs. Three of the five bids were within 7% of each other and all bids came in below the Engineers Cost Range.

Financial Impact

Funding for this contract is available in the following accounts:

4100P002	731000	P2840	\$16,882,000.00
4100P002	731900	P2840	\$1,718,000.00
Total			\$18,600,000.00

UBE Requirements

The Equal Opportunity/Equity Assurance Department reviewed the bid submitted by Haren Construction Company, Inc. of Etowah, TN to determine if they are in compliance with Ordinance to Promote Equal Business Opportunities in City Contracting. The goals for this project are MUBE 11% and WUBE 7%. Although, Haren Construction Company did not meet goals, it was determined Haren Construction Company demonstrated Good Faith Efforts and is in compliance with the Ordinance to promote Equal Business Opportunities in City Contracting. Haren Construction Company will subcontract to the following certified firms:

Firm	ID	City/State	Amount	% of Contract
National Erectors Rebar, Inc.	MUBE	Lumberton, NC	\$801,000.00	4.75
CITI, LLC	MUBE	Charlotte, NC	\$303,410.00	1.8%

WORKFORCE STATISTICS

Total Workforce:

Employment Category	Total Employees	Total Males	Total Females
Project Manager	28	28	0

Professional	9	9	0
Technical	0	0	0
Clerical	22	1	21
Labor	56	56	0
Operatives	3	43	0
Service Workers	2	0	2
Total	120	97	23
Percentages	100.00%	80.83%	19.17%

Male:

Employment Category	White	Black	Hispanic	Asian or Pacific Islander	Indian or Alaskan Native	
Project Manager	28	0	0	0	0	
Professional	9	0	0	0	0	
Technical	0	0	0	0	0	
Clerical	1	0	0	0	0	
Labor	48	0	8	0	0	
Operatives	3	0	0	0	0	
Service Workers	0	0	0	0	0	
Total	89	0	8	0	0	
Percentages	91.75%	0.00%	8.25%	0.00%	0.00%	

Female:

Employment Category	White	Black	Hispanic	Asian or Pacific Islander	Indian or Alaskan Native	
Project Manager	0	0	0	0	0	
Professional	0	0	0	0	0	
Technical	0	0	0	0	0	
Clerical	20	1	0	0	0	
Labor	0	0	0	0	0	
Operatives	2	0	0	0	0	
Service Workers	0	2	0	0	0	
Total	20	3	0	0	0	
Percentages	86.96%	13.04%	0.00%	0.00%	0.00%	

Attachments Location Map
EOEA Compliance Report

Bid Tabulation